

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY TOKYO PRIORITY

C O N F I D E N T I A L STATE 053492

E.O. 11652: ADS, DECLAS JUNE 1977

TAGS: AFSP, PFOR, SCUL, TECH

SUBJECT: VOA CLOSURE ARRANGEMENTS

REF: (A) TOKYO 2959, (B) TOKYO 3134

1. THE DEPARTMENT AND USIA APPRECIATE GREATLY THE INFORMATION PROVIDED IN REFTELS AND IN THE EXECUTIVE DIRECTOR'S TELEPHONE CONVERSATIONS WITH THE ADMINISTRATIVE COUNSELOR AND LABOR ATTACHE ON MARCH 1 AND 2 RESPECTIVELY.

2. SUBJECT TO FURTHER TECHNICAL DISCUSSIONS WITH DAYTON HULL, WHICH WE WILL HOLD AS PROMPTLY AS POSSIBLE, WE ANTICIPATE FINDING THAT THE UNEMPLOYMENT INSURANCE BENEFIT HAS BEEN RECOGNIZED IN SOME FORM OF FRINGE BENEFIT OFFSET CALCULATION IN RECENT WAGE SURVEYS OF JAPAN AND OKINAWA. IF THIS FINDING MATERIALIZES AS PERTAINS TO OKINAWA, WE SHOULD BE ABLE TO CONCLUDE REASONABLY THAT THE PROPOSED BENEFIT HAS BEEN ESTABLISHED AS LOCAL LAW AND CUSTOM IN
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OKINAWA AND THEREFORE MEETS THE SPIRIT OF THE STATUTORY

AUTHORITY TO ESTABLISH LOCAL COMPENSATION SYSTEMS AS PROVIDED IN SECTION 444 OF THE FOREIGN SERVICE ACT.

3. WHILE WE ARE MAKING THESE EXPLORATIONS WITH HULL, BOTH

AGENCIES WOULD APPRECIATE THE EMBASSY'S REPORTING PROMPTLY WHETHER IT UNDERSTANDS THE ARRANGEMENTS DESCRIBED IN REF "A" TO ENVISION THAT THE VOA EMPLOYEES WOULD HAVE TO PARTICIPATE IN THE ENTIRE JAPANESE SOCIAL SECURITY SYSTEM BEGINNING MAY 1976 OR WHETHER THE MINISTRY OF LABOR ENVISIONS THEIR PARTICIPATION IN ONLY A PORTION OF THAT SYSTEM, I.E., THE EMPLOYMENT INSURANCE PROGRAM (UNEMPLOYMENT INSURANCE). THIS IS A VITALLY IMPORTANT FACT BECAUSE OF THE WELL-SETTLED PRINCIPLE THAT THE UNITED STATES GOVERNMENT CANNOT CONTRIBUTE TO CSR AND ANOTHER RETIREMENT SYSTEM SIMULTANEOUSLY FOR THE SAME EMPLOYEE. IT COULD PARTICIPATE PERHAPS IN THE UNEMPLOYMENT SYSTEM AS A FRINGE BENEFIT APART FROM THE JAPANESE SOCIAL SECURITY PROGRAM AS AN ENTITY.

4. IT IS QUESTIONABLE IF THE VOA EMPLOYEES, IF FACED WITH THE PROSPECT OF HAVING TO LEAVE THE CSR FOR THEIR LAST YEAR OF SERVICE, WOULD FIND THE UNEMPLOYMENT INSURANCE A FULLY OFFSETTING BENEFIT IN THEIR LONG RANGE INTEREST. THIS IS FURTHER COMPLICATED BY THE FACT THAT 10 OF THE 74 EMPLOYEES WOULD BE ELIGIBLE IMMEDIATELY AFTER THEIR SEPARATION FOR A FULL ANNUITY IN ADDITION TO SEVERANCE PAYMENTS WHICH WE CALCULATE WOULD BE SUBSTANTIALLY EQUIVALENT TO THOSE PAID IN JAPAN TO OTHER EMPLOYEES OF THE U.S. GOVERNMENT. THUS, SOME OF THE EMPLOYEES WOULD PRESUMABLY BE UNWILLING TO WITHDRAW FROM CSR AND SACRIFICE THEIR IMMEDIATE ACCESS TO THE CSR ANNUITY.

5. BOTH THE DEPARTMENT AND USIA ARE SERIOUSLY CONCERNED AT THE POSSIBILITY THAT AN AFFIRMATIVE ACTION WITH REGARD TO UNEMPLOYMENT INSURANCE FOR VOA EMPLOYEES WOULD CONSTITUTE A PRECEDENT. THE ASSESSMENT IN PARAGRAPH 5 OF REF "B" IS HELPFUL AND PRAGMATIC. THE ISSUE PERHAPS WILL BE SETTLED BY THE ANSWER TO THE QUESTION OF WHETHER ACCESS TO THE UNEMPLOYMENT BENEFIT WOULD REQUIRE FULL PARTICIPATION IN THE JAPANESE SOCIAL SECURITY SYSTEM. THE EMBASSY AND THE WASHINGTON AGENCIES ARE CURRENTLY OF THE OPINION FROM DOCUMENTATION FROM THE EMPLOYEES' ASSOCIATION IN TOKYO THAT STRONG OBJECTIONS EXIST ON THE PART OF CURRENT EMPLOYEES TO A CHANGE IN RETIREMENT SYSTEMS.

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TION IN THE JAPANESE SOCIAL SECURITY SYSTEM. THE EMBASSY AND THE WASHINGTON AGENCIES ARE CURRENTLY OF THE OPINION FROM DOCUMENTATION FROM THE EMPLOYEES' ASSOCIATION IN TOKYO THAT STRONG OBJECTIONS EXIST ON THE PART OF CURRENT EMPLOYEES TO A CHANGE IN RETIREMENT SYSTEMS.

6. IN ORDER TO IDENTIFY MORE CLEARLY THE THINKING OF THE MINISTRIES OF FOREIGN AFFAIRS AND LABOR IN REGARD TO VOA

EMPLOYEES, IT MAY BE NECESSARY FOR THE LABOR ATTACHE OR OTHER EMBASSY OFFICERS TO PURSUE THE MATTER FURTHER WITH MINISTRY OFFICIALS. THE EMBASSY IS AUTHORIZED TO ENTER

INTO THOSE DISCUSSIONS ON AN INFORMAL AND FACT-FINDING BASIS ONLY. (THIS RESCINDS THE ORAL REQUEST BY THE EXECUTIVE DIRECTOR IN CITED TELCONS THAT SUCH DISCUSSIONS NOT BE PURSUED AT THIS TIME UNTIL HEADQUARTERS AGENCIES IN WASHINGTON HAD DELIBERATED FURTHER ON THE BASIC QUESTION.)

7. SUCH INQUIRIES AS MAY BE DEEMED NECESSARY SHOULD BE KEPT ON A STRICTLY INFORMAL, INFORMATION-GATHERING BASIS, BECAUSE IT APPEARS THAT SOME FORM OF BILATERAL AGREEMENT (SEE 3 FAM 917.2) WOULD BE NECESSARY TO MAKE IT POSSIBLE FOR VOA EMPLOYEES TO HAVE THE UNEMPLOYMENT BENEFIT. THE INFORMAL VIEWS OF OFFICIALS OF THE MINISTRY OF LABOR ON THIS QUESTION WOULD BE OF INTEREST AS WELL.

8. BOTH USIA AND STATE FULLY APPRECIATE THE POSSIBLE POLITICAL REPERCUSSIONS OF THE VOA CLOSURE, AND HOPE TO BE ABLE TO RESPOND AFFIRMATIVELY TO THE EMBASSY'S RECOMMENDATION. WE DESIRE, HOWEVER, THAT SUCH ACTION WOULD NOT BE PRECEDENTIAL IN NATURE, WOULD NOT REQUIRE THE EMPLOYEES TO TERMINATE THEIR PARTICIPATION IN CSR AS OF MAY 1976, AND THAT SOME BASIS MIGHT BE FOUND IN THE NEGOTIATIONS ON THE CLOSURE FOR IDENTIFYING THE UNEMPLOYMENT INSURANCE BENEFIT AS A GOJ-SPONSORED CONSIDERATION FLOWING EXCLUSIVELY FROM THE FACT OF THE REVERSION AGREEMENT. WE AWAIT THE EMBASSY'S FURTHER COMMENTS BEFORE REACHING A FINAL CONCLUSION ON THE PROPOSAL. KISSINGER

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